



U.S. Representative Bernie Sanders

A Special Focus on Labor Issues

Spring 1997



Even Business Week agrees. CEO pay is out of control.

Bosses' Pay Soars, While Workers' Living Standards Decline

The United States has the widest gap between rich and poor of any industrialized nation. To make matters worse, the income gap between the wealthiest Americans and everybody else is growing at an alarming rate.

According to the April 21st, 1997 Business Week, "For 1996, CEO pay gains far outstripped the roaring economy or shareholder returns. The average salary and bonus for a chief executive rose a phenomenal 39% to \$2.3 million. Add to that retirement benefits, incentive plans, and gains from stock options, and the number has hit the roof. CEO's average total compensation rose an astounding 54 percent

last year, to \$5,781,300. That largesse came on top of a 30 percent rise in the total pay in 1995 -- yet it was hardly spread down the line. The average compensation of the top dog was 209 times that of a factory employee, who garnered a tiny 3 percent raise in 1996."

This continues the outlandish trend whereby CEO pay increased by 65% between 1990 and 1995, while worker pay actually fell by 1% at the same time. This gross inequality is wiping out the gains in living standards that carried millions of families to middle-class prosperity following World War II.

Something has to be done. That is why I am an original cosponsor of legislation -- The Income Equity Act of 1997 -- that limits the tax deduction for executive compensation to no more than 25 times the salary of the lowest paid full-time worker within a company. I have also reintroduced my bill to impose a \$250,000/year salary cap in taxpayer-financed compensation that can be paid to CEOs of defense contractors and other companies doing business with the federal government.

Congressman Sanders to Host a meeting with guest Charles Kernaghan, Executive Director of the National Labor Committee

Charles Kernaghan, in his work with the National Labor Committee, has been the preeminent leader in exposing the horrendous conditions that so many workers face in Central America, the Caribbean, and other Third World countries. It was his work that exposed the case of a Honduran factory where 13, 14, and 15 year-olds were forced to work extraordinary amounts of forced overtime under unhealthy, abusive conditions producing clothing for Wal-Mart's "Kathie Lee" label. He will discuss his work and the growing movement for human rights protections.

Wednesday, May 28th at 7:00PM, Room 11 in the VT Statehouse

NO MORE IMPORTS MADE BY CHILD SLAVES

It is an outrage that American workers must compete for jobs with as many as 200 million children around the world who are working for wages as low as 20 cents an hour. Many of these child laborers are making familiar imports like Nike sneakers, Adidas soccer balls, Barbie dolls, and designer blouses and slacks.

Consider the plight of millions of child laborers, some as young as 6-years old, who are sold into virtual slavery and chained to looms for 12-hours a day hand knitting the oriental rugs that cover the foyers and living rooms of countless homes and offices all across our country. Are these the kind of products we should be importing?

This is one more example of why our nation's trade policy must change. And why I am sponsoring two pieces of legislation -- The Child Labor Deterrence Act -- to prohibit the importing of products into the American marketplace that are made by children under 14 who are employed in manufacturing or mining and -- The Bonded Child Labor Elimination Act -- to prohibit the importing of any products made by child slaves.

LABOR LAW REFORM NEEDED NOW

One of the reasons that the standard of living of American workers is going down is the decline in membership in the trade union movement. In 1954, almost one third of American employees belonged to a labor union. Today, less than one in six is a member.

A worker, standing by him/herself has very little ability to negotiate a fair wage or decent working conditions. Workers standing together can make a difference.

Right now, as a result of current labor law, it is very difficult for those workers who want to join a union to do so. That is why I have introduced legislation -- The Workplace Democracy Act -- which would reform labor law and make it easier for workers to join a union. This legislation would abolish legal loopholes that employer's use to deny working people their right to bargain collectively.

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DON'T BELIEVE THE PHONY SOCIAL SECURITY "CRISIS"

Slick lobbyists representing Wall Street brokerage houses and right-wing conservative think tanks are hard at work trying to persuade the American people that the Social Security system is in danger of financial collapse. Their solution is to cut benefits by reducing the consumer price index, thus reducing the annual cost-of-living that Social Security recipients now receive. Even worse, they want to privatize a substantial portion of the Social Security Trust Fund by allowing more well-to-do Americans to pull their money out of Social Security and invest it in the stock market and other securities.

The fact of the matter is *there is no Social Security crisis*. The Social Security system is strong and solvent. This year the Social Security system will enjoy a \$73 billion surplus. The Social Security Trust Fund currently contains \$500 billion and, if the Congress makes no changes at all, the system would be able to pay out all benefits for at least the next 32 years -- until 2029.

This is why I have introduced legislation stating that the 105th Congress should not reduce Social Security benefits. We must not balance the budget on the backs of some of the weakest and most vulnerable Americans.

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CUT CORPORATE WELFARE SAVE AMERICAN JOBS

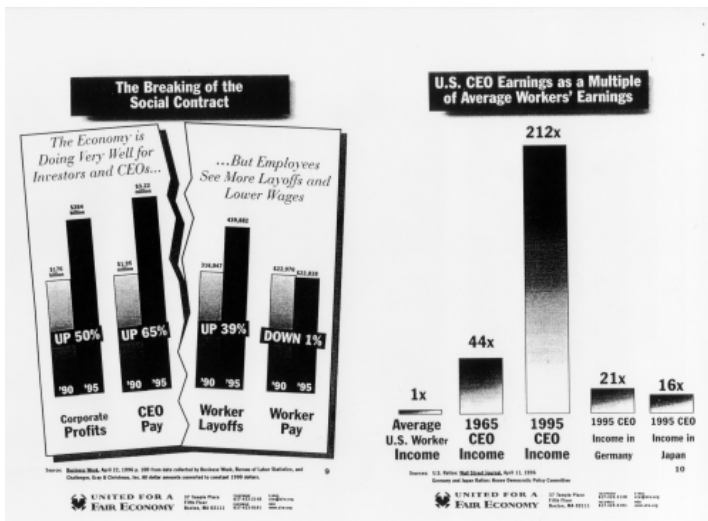
The Congress must cut corporate welfare if we are to balance the federal budget fairly in the years ahead, especially since some members of Congress want to cut Social Security, health care, education, and other essential programs that you and your family count upon.

Corporate welfare adds as much as \$125 billion to the federal deficit every year, much of it in the form of special interest tax loopholes and direct subsidies to specific industries and highly-profitable companies that don't need it or deserve it.

The 58-member Progressive Caucus, which I chair, is once again leading the charge to cut corporate welfare. In March we unveiled a "most wanted" list of 15 cuts that would save \$261 billion in corporate welfare over the next 5 years. At the top of our target list is the foreign tax credit and transfer pricing loophole which adds \$12.2 billion to the federal deficit every year and reward U.S.-based multinational corporations for moving jobs overseas and closing plants in America.



IT'S TIME FOR NEW TRADE POLICIES



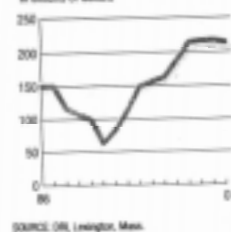
1 976 was the last year that our country had a trade surplus. In spite of the latest GATT deal, the trade deficit climbed to \$114.2 billion last year -- an 8-year high. Now it is projected that the U.S. trade deficit will be equal to or greater than \$200 billion/year through 2001.

As I predicted, NAFTA has been a disaster for working families. NAFTA has transformed a trade surplus with Mexico into a \$16 billion deficit, part of a total U.S. trade deficit with Canada and Mexico of \$39 billion. It has cost more than 420,000 U.S. jobs according to the Economic Policy Institute.

In 1986, our trade deficit with China was \$1.6 billion. But last year it hit \$39.5 billion -- a whopping 17% increase over just the prior year.

Fast facts

US trade deficit projected to 2001



Continuing to run trade deficits as far as the eye can see will hollow out our nation's industrial capacity. The U.S. Congress must make a fundamental change in our trade policy, and demand that corporate America reinvest in *this* country -- and not desperate, Third World countries where they can hire slave labor. We must abandon the myth that what is good for U.S.-based multinational corporations is good for our economy as a whole.

That is why I opposed NAFTA, and extending Most-Favored Nation trading privileges to China. That is why I introduced the Fast-Track Fairness and Accountability Act which now has 48 cosponsors. I am opposed to any more "free trade" agreements that sacrifice American jobs and ignore basic worker rights and environmental safeguards.

U.S. Representative

Bernie Sanders

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CHARLES KERNINGAN, 5/28/97

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